

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 8038**

**BILL NUMBER: SB 471**

**DATE PREPARED:** Apr 11, 2001

**BILL AMENDED:** Apr 9, 2001

**SUBJECT:** Prescription Medications for Children and Medicaid Recipients.

**FISCAL ANALYST:** Chris Baker, Alan Gossard

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**FUNDS AFFECTED: X GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill provides that a Medicaid recipient may not be restricted access to a prescription drug for mental illness.

The bill also adds a psychiatrist to the Controlled Substances Advisory Committee. It also requires the Controlled Substances Advisory Committee to review the records maintained by the central repository for controlled substances designated by the State Police Department regarding the prescribing of stimulant medications to children. The bill also requires the report to contain specified information and to be filed with the Legislative Council, Governor, and Medical Licensing Board by December 1, 2001.

**Effective Date:** (Amended) January 1, 2001 (Retroactive); Upon Passage; July 1, 2001.

**Explanation of State Expenditures:** (Revised) *Prescription Drugs for Mental Illness Under Medicaid:* This bill provides that Medicaid recipients may not be denied access to or restricted in the use of prescription drugs for the treatment of mental illness. In addition, these drugs must be provided without any restrictions or limitations, including prior authorization. These provisions are expected to have a significant impact on costs in the Medicaid program. These additional costs are undetermined at this time. However, additional information is being sought and this note will be updated when additional information becomes available.

*Controlled Substances Advisory Committee:* The Indiana State Police (ISP) should experience minimal expenditures as a result of the bill. The ISP already maintains a central repository for controlled substances. The fifteen-member Controlled Substances Advisory Committee (CSAC) would experience increased expenditures due to the creation of a sixteenth member (psychiatrist with expertise in adolescent psychology). Currently, CSAC members who are not State employees are entitled to the minimum salary per diem, reimbursement for traveling expenses, and other expenses actually incurred in connection with the member's duties. Members who are State employees are entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties. Depending on the distance traveled

to meetings by the proposed sixteenth member, the additional expenditures for the proposed member could range from \$770 to \$1240 over six meetings. If the proposed member were a State employee, expenditures would be much lower. If the proposed member were from the Indianapolis area, expenditures, would also be significantly reduced.

Additionally, the CSAC would have increased expenditures for the preparation of the required report concerning the prescription of stimulant medications to children for the Legislative Council, Governor, and Medical Licensing Board. The CSAC has six scheduled meetings for CY 2001. If the Committee meets additionally, expenditures for Committee operations would increase.

**Explanation of State Revenues:** (Revised) See Explanation of State Expenditures, above, regarding expenditures in the Medicaid program. Costs in the Medicaid program are shared between the federal government (about 62% of costs) and the state (about 38%).

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Health Professions Bureau, Controlled Substances Advisory Committee, Medical Licensing Board, State Police, Legislative Council, Office of the Governor, Medical Licensing Board, Office of Medicaid Policy and Planning.

**Local Agencies Affected:**

**Information Sources:**